

Financial Report

Fiscal Year Ended June 30, 2014



A Component Unit of Howard County, Maryland



**Howard
County**

**Public
School
System**

A Component Unit of Howard County, Maryland

***Popular Annual Financial Report Fiscal Year
Ended June 30, 2014***

Prepared By:

The Department of Finance
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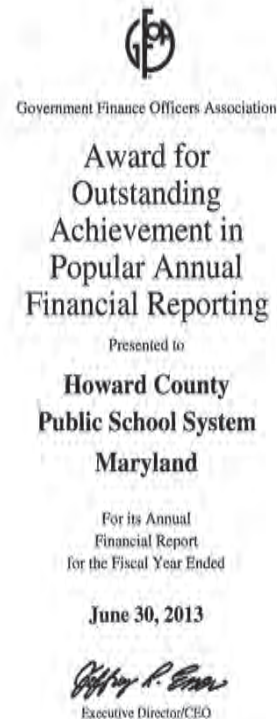
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In reference to last year's report, the Howard County Public School System was recognized for Outstanding Achievement in Popular Annual Financial Reporting by the Government Finance Officers Association.

About Howard County Public School System

Howard County, Maryland is a suburban community of over 300,000 situated midway along the Baltimore-Washington corridor. It is a county of contrast – a blend of old and new, urban and rural, historical and progressive. The county's borders encompass Ellicott City, one of the country's oldest towns, and Columbia, a planned community conceived and designed over 40 years ago by the Rouse Company.

A great community deserves great schools, and the Howard County Public School System is a recognized source of local pride. The school system consistently ranks among Maryland's top school districts based on student performance on the Maryland School Assessments. Howard County students score above the national averages on standardized tests and more than 90% of graduates continue their education beyond high school. HCPSS is guided by *Vision 2018: Fulfilling the Promise of Preparation*, which was launched in July, 2013. *Vision 2018* provides goals and guiding principles for achieving an environment in which, "Every student is inspired to learn and empowered to excel." For more information about *Vision 2018* and progress toward its goals, refer to the HCPSS website, <http://www.hcpss.org/vision/>.



VISION 2018

Fulfilling the Promise of Preparation

Vision

Every student is **inspired** to learn and **empowered** to excel.

Mission

We cultivate a **vibrant** learning community that prepares students to thrive in a **dynamic** world.

GOAL 1

Students

Every student achieves academic excellence in an inspiring, engaging, and supportive environment.

GOAL 2

Staff

Every staff member is engaged, supported, and successful.

GOAL 3

Families and the Community

Families and the community are engaged and supported as partners in education.

GOAL 4

Organization

Schools are supported by world-class organizational practices.

Guiding Principles

We believe in...

- Achieving excellence in all we do
- Developing each student's unique gifts
- Engaging students in relevant, experiential, and personalized learning
- Cultivating creative problem solving, critical thinking, and innovation
- Promoting integrity, civility, and global citizenship
- Enriching learning by honoring our diversity
- Fostering a culture of collaboration, trust, and shared responsibility
- Removing barriers to success

A Message from the Executive Director of Budget and Finance



Citizens, Taxpayers, and Community Members of Howard County,

It is with great pride that we present to the citizens of Howard County, Maryland the Howard County Public School System's Popular Annual Financial Report for the fiscal year ended June 30, 2014. This report provides an overview of the school system's financial operations and highlights key accomplishments of interest to parents, teachers, and community members.

The information in this report is derived from the financial information contained in our Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. The CAFR is a detailed report prepared in accordance with generally accepted accounting principles. Our Comprehensive Annual Financial Report received an "unqualified" audit opinion, the highest audit rating, from our independent auditors, CliftonLarsonAllen LLP. While the Popular Annual Financial Report is also prepared consistent with generally accepted accounting principles, it is unaudited and simplifies reporting by summarizing the school system's financial activities in an easy to understand format. Readers desiring to review more detailed financial information may view the Comprehensive Annual Financial Report on the system's website <http://www.hcps.org/about-us/annual-reports/>.

This report should help community members understand how their tax dollars are being utilized to educate our students. Our Department of Budget and Finance strives to manage public funds in the most efficient and effective manner consistent with best financial practices. The Board of Education, teachers, and staff are proud to serve the students of Howard County. Questions and comments are welcomed and may be directed to the Department of Finance at 410-313-1530.

Sincerely,

A handwritten signature in black ink that reads "Beverly J. Davis".

Beverly J. Davis, CPA
Executive Director of Budget and Finance

Principal Officials as of November 20, 2014

Howard County Board of Education

10910 Clarksville Pike
Ellicott City, Maryland 21042-6198
Telephone (410) 313-6600
www.hcpss.org

Board of Education

Ellen Flynn Giles

Chairman



Howard County Public Schools Officials Superintendent of Schools



Dr. Renee A. Foose Ed.D

Susan C. Mascaro

Chief of Staff

Camille B. Jones

Chief Operating Officer

Linda T. Wise

Deputy Superintendent of
Curriculum, Instruction, and
Administration

E. Grace Chesney

Chief Accountability Officer

Ann De Lacy

Vice Chairman



Frank Aquino, Esq.

Member



Sandra French

Member



Janet Siddiqui, M.D.

Member



Cynthia L. Vaillancourt

Member



Independent Auditor

CliftonLarsonAllen

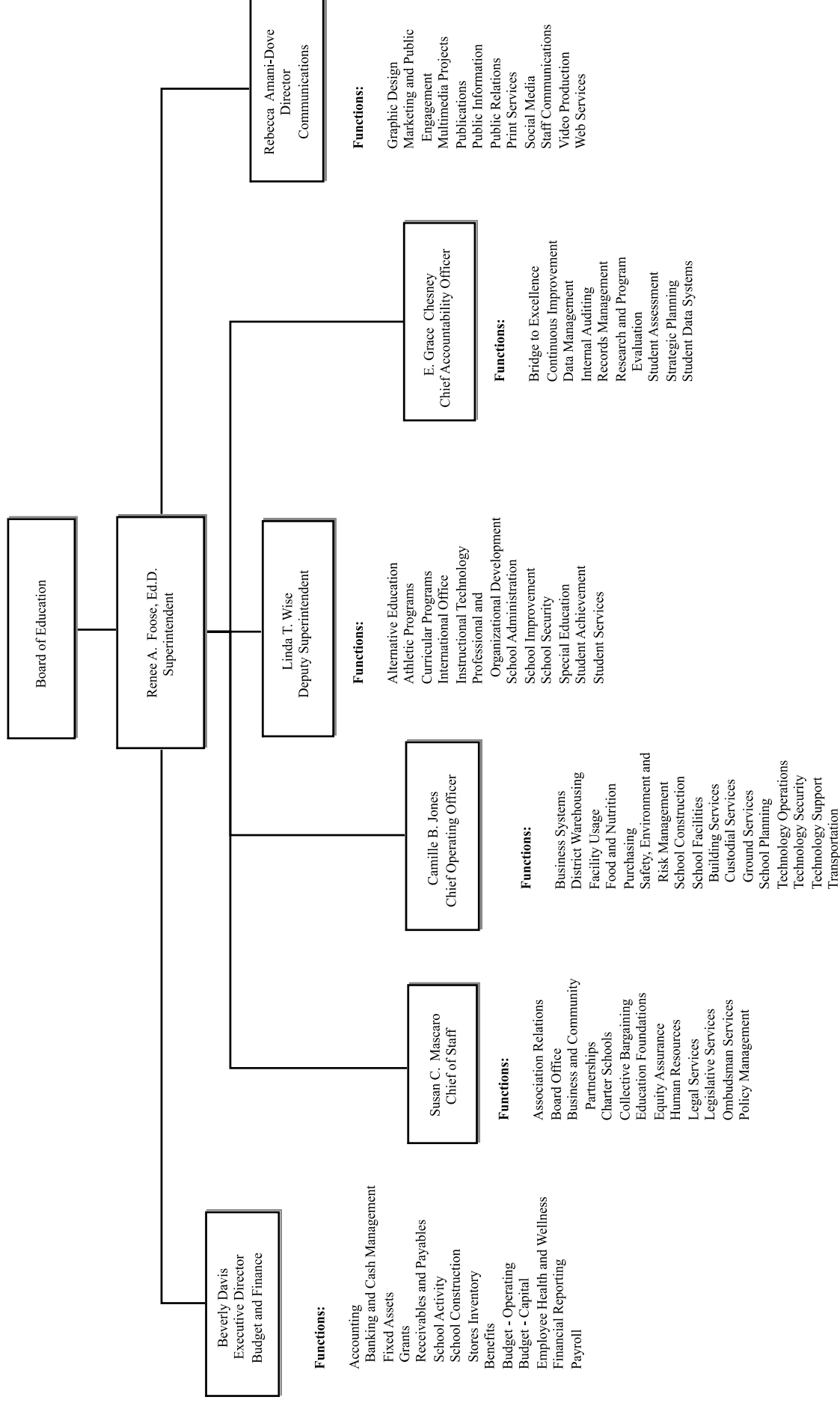
Timonium Corporate Center
9515 Deereco Road, Suite 500
Timonium, Maryland 21093
Telephone (410) 453-0900

Lawrence E. Walker

Member



Organizational Chart as of November 30, 2014



HCPSS Fast Facts

FY 2014 Fast Facts

75 schools

41 elementary schools
19 middle schools
12 high schools
3 special schools

Total Enrollment (K-12)*	51,681
Prekindergarten	1,118
Elementary (K-5)	23,327
Middle (6-8)	11,890
High (9-12)	16,378
Special Schools	93

*Official count does not include Pre-K.

Race/Ethnicity

American Indian/Alaskan	0.2%
Asian	18.4%
Black/African American	21.6%
Hawaiian/Pacific Islander	0.1%
Hispanic/Latino	9.1%
Two or more races	6.3%
White	44.4%

Students Receiving Special Services

Ltd. English Proficient	≤5.0%
Free/Reduced-Price Lunch	20.3%
Special Education	8.8%

Attendance Rate

Elementary	96.4%
Middle	96.3%
High	95.8%

2013 Graduation Rate*:	93.3%
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***4 year adjusted cohort**

Ratio of Computers to Students	1:2.5
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Classrooms With Internet Access	100%
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ESOL Program

Approximately 2,200 students participated in our English for Speakers of Other Languages (ESOL) program in FY 2014, representing 61 different languages, (primarily Spanish and Korean) and 72 different countries.



Our Staff

HCPSS employs 4,353.7 FTE teachers

- 69.5% hold master's degrees or above
- 13 years experience on average

HCPSS employs a total FTE staff of 8,084.4

Over 80% of staff participates in the award-winning HCPSS Health and Wellness Program, *Commit to Be Fit*.

HCPSS Academic Achievements

Howard County residents value a high quality education and provide Howard County Public Schools with the financial resources to provide an excellent education to every Howard County student. Our test results are one measure of our success in utilizing these resources effectively.

Maryland School Assessment

The Maryland School Assessment (MSA) is an annual assessment program that tests Grades 3 through 8 in reading and mathematics. Two tests are also required at the high school level to measure reading and mathematics. The MSA results are used in the calculation of whether a school met the Adequate Yearly Progress (AYP) target. More information on the MSA and other assessments can be found at the HCPSS website <http://www.hcpss.org/academics/testing/>.

MSA Test Scores Placement						
School Year	Math			Reading		
	Advanced	Proficient	Basic	Advanced	Proficient	Basic
2013-14	36.8%	44.4%	19.6%	52.6%	37.9%	9.5%
2012-13	52.9%	42.2%	5.0%	46.8%	45.0%	8.3%
2011-12	52.5%	39.0%	8.4%	56.5%	36.1%	7.4%

Partnership for Assessment of Readiness for College and Careers

In 2014, not all students participated in the MSA due to the field testing of the PARCC assessments. PARCC consists of a consortium of 12 states and the District of Columbia who are developing new assessments for K-12. The results for these assessments are not published due to the field testing status in 2014. However, the tests will be ready for states to administer in the FY 2015 school year. More information about PARCC can be found at <http://www.mdreportcard.org/>.

SAT Scores and Participation					
School Year	N ¹	Percent Participating	Critical Reading	Mathematics	Writing
2013-14	3226	83.4	549	565	544
2012-13	3292	80.3	545	563	545
2011-12	3113	80.7	537	557	538

HCPSS was named to the College Board's AP Honor Roll for achievements in Advanced Placement course work and testing in 2013 and 2014.

¹ Number of graduates who took the SAT.

SAT

The SAT is taken by graduating seniors, and is widely recognized as a measure of their college-readiness. HCPSS students continue to excel on this assessment. "Competitive SAT scores signify that students have the aptitude to excel in a college environment," Superintendent Renee A. Foose stated in a recent report. "We want to prepare every student to thrive after high school graduation, with access to the college or career path of their choice. These results indicate that many are well on their way."

FY 2014 SAT Score Comparisons	
District	Combined Mean Score
Howard	1657
Montgomery	1646
Carroll	1562
Frederick	1555
Harford	1516
Calvert	1509
Anne Arundel	1489
National	1471
State	1438

Additional Facts

Cost Per Pupil

The cost per pupil reflects the average cost of providing educational and related services to the students in each local school system. Cost per pupil amounts provide an overall view of the cost of instructional programs. It includes both the direct as well as the indirect costs of programs. The cost per pupil is often used for comparison purposes. The table to the right compares the cost per pupil for the local school systems in the State of Maryland. These figures are taken from the Maryland State Department of Education (MDSE) FY 2013 Selected Financial Data.

The cost per pupil amounts include the following expenditure categories: administration, mid-level administration, instructional salaries and wages, textbooks and other instructional materials, other instructional costs, special education, student personnel services, health services, student transportation, operation of plant, maintenance of plant, fixed charges, and state-paid teachers' retirement. Expenditures for equipment, tuition payments, and interfund transfers are excluded.

Gifted and Talented Education Program

The Gifted and Talented Education Program promotes student engagement through enrichment, rigorous coursework, and opportunities to solve real-world problems and to conduct original research. Average participation across Grades K-12 is approximately 46% of students.

FY 2013* School System	Cost Per Pupil
Worcester	\$ 16,277
Baltimore City	\$ 14,973
Montgomery	\$ 14,642
Howard	\$ 14,571
Garrett	\$ 14,166
Kent	\$ 14,055
Somerset	\$ 14,022
Allegany	\$ 13,572
Prince George's	\$ 13,267
Calvert	\$ 13,018
Dorchester	\$ 12,757
Baltimore	\$ 12,752
Harford	\$ 12,520
Anne Arundel	\$ 12,519
Charles	\$ 12,481
Carroll	\$ 12,402
Wicomico	\$ 12,241
Washington	\$ 12,191
Frederick	\$ 12,176
Cecil	\$ 11,924
Caroline	\$ 11,867
St. Mary's	\$ 11,844
Talbot	\$ 11,284
Queen Anne's	\$ 11,246



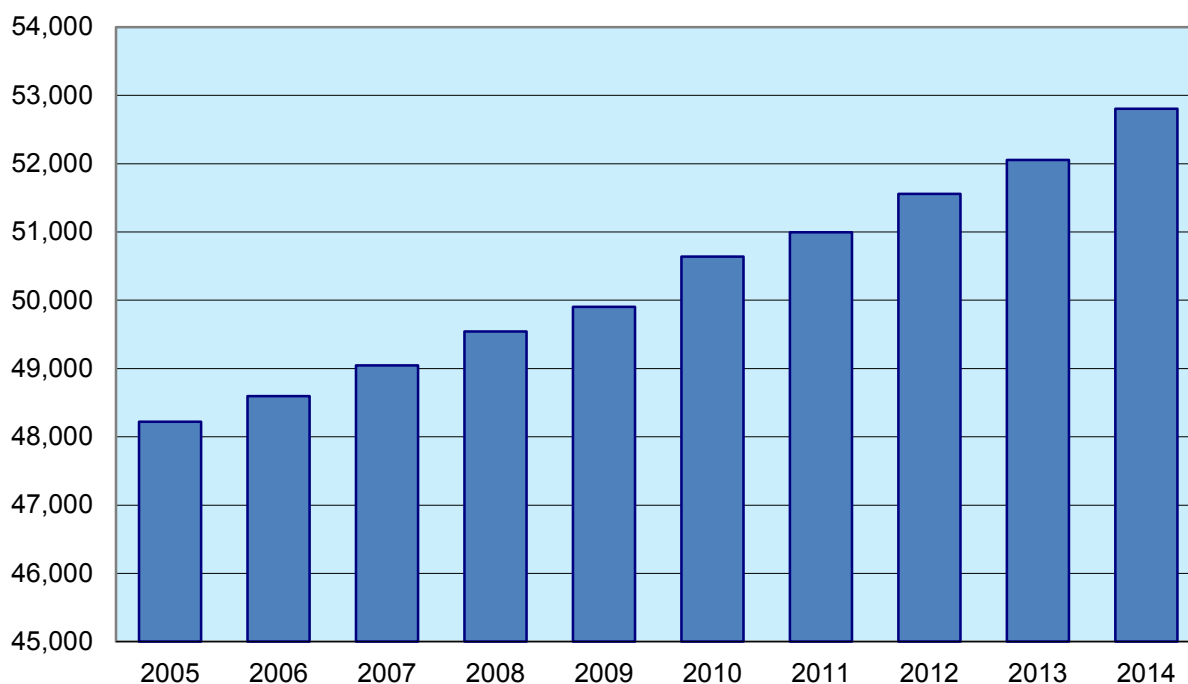
Class of 2014: Plans After Graduation

Attend a 4-year college	62.6%
Attend a 2-year college	24.4%
Attend a trade or technical school	1.8%
Enter full-time employment	7.3%
Enter the military	3.4%
Other	0.4%

*Maryland State Department of Education (MSDE) has not released FY 2014 Cost Per Pupil information at this time. MSDE excludes Pre-K enrollment from its calculation of cost per pupil.

Enrollment

Official Prekindergarten to Grade 12 Enrollment



The enrollment including Prekindergarten head count for FY 2014 was 52,806 students in 75 schools and centers. This represents an increase of 753 students over the FY 2013 actual, and an increase of 4,473 students in the last decade.

Class Size Targets

The Howard County Public School System is committed to ensuring that each classroom has a class size that supports the academic performance of students. Staffing parameters have been established by the Board of Education regarding the assignment of staff to ensure that expectations pertaining to class size are met.

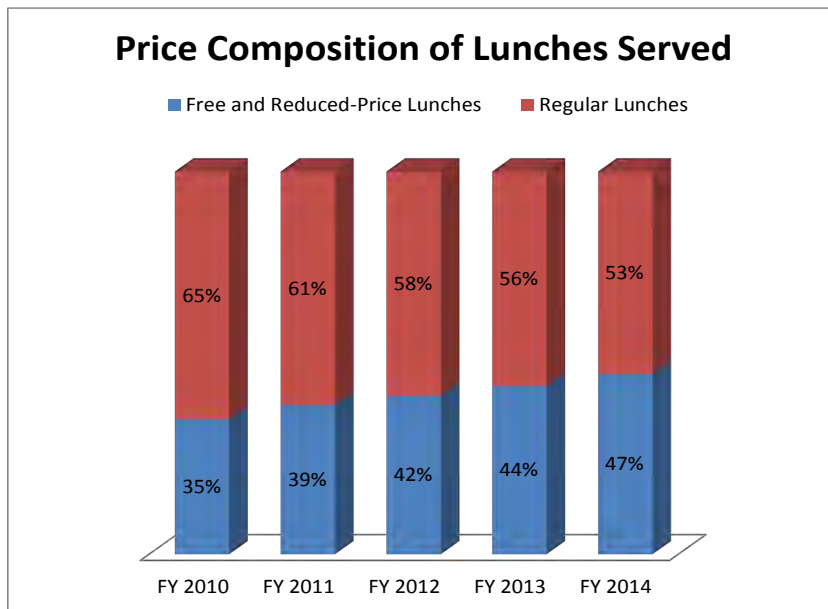
Grade Level	Teacher/Student Ratio
Kindergarten	1:22.0
Grades 1-2	1:19.0
Grade 3-5	1:25.0
Middle	1:20.5
High	1.4:27



Food and Nutrition Service

The Food and Nutrition Service Program provides appealing, nutritious, high quality, safe food at minimum cost in accordance with federal law, state regulation, and local policy. It is operated under the federally funded Richard B. Russell National School Lunch Act. Special emphasis is placed on creating a positive image of food at school through an established marketing program and involvement of students in food selection, menu planning, and nutrition education. A variety of salads, fruit, and lunch options are available in all elementary, middle, and high schools.

The chart below presents the percentage of lunches served in HCPSS schools that are free and reduced-price, as reported by the Food and Nutrition Service Program. The percentage of free and reduced-price lunches has increased steadily in the last five years. The county is one of the most affluent counties in the nation, yet the population of students eligible for free or reduced-price meals has increased. To qualify for meal benefits, the annual household income must not exceed \$44,123 for a family of four.



What's For Lunch?



The HCPSS school lunch program is federally funded. Federal guidelines also specify the amounts of calories, proteins, grains, fruits, vegetables and milk.

HCPSS has 200 food service employees, and serves 3,000,000 lunches over the ten-month school year.

Students are offered multiple entrée choices each day. Many entrées, such as turkey, lasagna, taco fillings, stir fry and macaroni and cheese, are cooked from scratch.

The county uses whole-grain bread and other items to meet daily fiber intake goals for the students. Even breads that may appear to be white are whole grain or white wheat.

When a student chooses "pizza and fries," the pizza crust is whole grain and the "fries" are oven-baked potatoes. Shown above are sweet potato "fries," which are more nutritious than those from normal potatoes.

Multiple colors of vegetables are stressed at the elementary school level.

Middle and high school students have access to unlimited salad bars, with bean choices, that come with every entrée.

\$350,000.00 is spent each school year on produce for salad bars and for fresh fruit.

Where possible, HCPSS strives to purchase local foods including fresh fruit, vegetables, milk and poultry.

Fresh fruit and canned fruit are offered to every student, every day.

Fat free milk (flavored and unflavored) is offered, along with 1% white milk.

Menus, nutritional information, allergy information and articles by food experts are available at the school lunch page at www.hcpss.org/foodservice.

Food and Nutrition Service provides breakfast and lunch to students each day that school is in session, including early dismissal days, as well as a la carte items consistent with federal and state regulations, and the system's wellness policy.

Student Lunches Served Daily	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Free lunches served	4,624	5,334	5,830	5,930	6,025
Reduced-price served	1,274	1,121	1,205	1,141	1,158
Regular price served	10,799	10,058	9,916	9,005	8,053
Total lunches served	16,697	16,513	16,951	16,077	15,236

The Howard County Public School System's Food and Nutrition Service Department has earned four USDA Best Practices

The table above represents the average number of lunches served daily. While the number of regular lunches has dropped, the number of free and reduced-price lunches has increased, which results in a larger percentage of free and reduced-price lunches served. The average number of lunches served has varied over the last five years, but FY 2014 saw the lowest average by a wide margin. When compared to FY 2013, the daily total average dropped by 841, or 5.2%. This is contrary to expectations when compared with the enrollment increase seen in FY 2014.

Financial Information

Financial Information in this report is derived from the Comprehensive Annual Financial Report (CAFR). The CAFR is prepared in conformity with generally accepted accounting principles (GAAP), as applicable to governmental units and includes detailed information of significant financial and non-financial events. This contains information taken from the CAFR, but presented in a non-GAAP format. It presents summarized assets and liabilities on a government-wide basis and presents an overview of HCPSS' governmental funds, as well as revenues and expenditures highlighting key revenue and expenditure information that occurred during the fiscal year. The CAFR can be obtained from the HCPSS website at <http://www.hcpss.org/about-us/annual-reports/>.

Assets Over Liabilities

The Balance Sheet reports the assets owned by the school system and liabilities owed by the school system in the future. The tables below summarize the total assets and liabilities at the end of the fiscal year, or at June 30, 2014. The difference between the total assets and total liabilities represents the governmental fund balance, or the net worth of HCPSS. In FY 2014, the fund balance decreased by approximately \$7.0 million, due in large part to the use of fund balance as a revenue source, in accordance with Board Policy 4070. This policy allows the use of unassigned fund balance to meet unexpected expenditures and revenue shortfalls.

The timing of expenditures also plays a role in the decrease of fund balance because most of the HCPSS governmental funds' revenues and expenses are fixed depending upon funding adopted by the county and state governments. The exceptions to this are the Special Revenue funds, the Food Service Fund and the Glenelg Wastewater Treatment Plant Fund, because these funds receive revenue from charges for services. More information about these funds can be found on page 14 of this report.

Financial Benefits (in thousands of \$)	FY10	FY11	FY12	FY13	FY14
Cash and investments	\$ 120,862	\$ 152,855	\$ 108,837	\$ 102,900	\$ 102,251
Receivables	25,459	20,771	20,305	28,423	25,814
Other Assets	1,483	1,188	1,388	1,271	977
Total Assets	\$ 147,804	\$ 174,814	\$ 130,530	\$ 132,594	\$ 129,042

Financial Detriments (in thousands of \$)	FY10	FY11	FY12	FY13	FY14
Amounts Owed to Employees and Vendors	\$ 114,626	\$ 97,437	\$ 92,473	\$ 94,204	\$ 98,073
Other Liabilities	20,977	60,848	13,122	13,837	13,445
Total Liabilities	\$ 135,603	\$ 158,285	\$ 105,595	\$ 108,040	\$ 111,518
Assets Over Liabilities	\$ 12,201	\$ 16,529	\$ 24,935	\$ 24,554	\$ 17,524

Assets

Cash is the amount of physical cash held by the HCPSS in checking accounts and on hand for purposes of paying expenses.

Investments are made up of the funds not needed to pay current month expenses. The Finance Department invests these funds to maximize investment earnings.

Receivables represent the amounts that are owed to HCPSS at June 30, 2014.

Liabilities

Amounts Owed To Employees And Vendors are those items which the HCPSS owes to individuals and companies who supply services or goods, and the expected payment is to be made within twelve months.

Other Liabilities include amounts due to other governments and deferred revenues. Deferred revenues are items that cannot be recognized as revenues of the period in which they are received, as the monies will not be available until a subsequent period.

Governmental Funds

The HCPSS uses fund accounting to ensure and demonstrate compliance with government accounting and legal requirements. The HCPSS' governmental fund financial statements provide a detailed short-term view that determines how much funding is available in the near future to finance HCPSS' programs.

HCPSS' governmental funds consist of the following activities and programs:

- **Operating** – provides for the day-to-day operations and maintenance of the schools and is funded primarily by county and state funds.
- **Food and Nutrition Service** – include the procurement, preparation, and serving of student breakfasts, lunches, and snacks. The primary revenue sources are receipts derived from food sales and funding from the federal government.
- **Grants and Self-Supporting Programs** – consist of Federal, State, non-profit, and private industry grant funds that support instructional programs. In addition, it also includes the summer school program.
- **Glenelg Wastewater Treatment Plant** – provides for the operation of a sewage disposal facility which serves Glenelg High School and thirty local homeowners. The homeowners and the Board are responsible for the costs of providing sewage services.
- **Capital Projects** – activities involving the acquisition, construction or renovation of school sites, buildings, and other major capital improvements. The primary revenue source is funding from the County's issuance of general obligation bonds.

Revenues and Resources Over Expenditures and Services

The Financial Activity Statement, known in accounting terms as the Income Statement, provides a summary of the resources (revenues) and services (expenditures) of the District.

(In thousands of \$)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues and Resources					
Local	\$ 502,374	\$ 531,120	\$ 530,955	\$ 553,213	\$ 567,271
State	262,276	263,990	267,750	298,841	303,224
Federal	30,818	39,987	23,860	23,580	23,982
Earnings on investments	125	122	64	56	26
Charges for services	13,640	13,756	28,281	12,109	11,091
Miscellaneous revenues	1,596	1,449	1,039	1,471	1,797
Total Revenues	\$ 810,829	\$ 850,424	\$ 851,949	\$ 889,270	\$ 907,391
Expenditures and Services					
Administration	\$ 10,634	\$ 10,663	\$ 10,676	\$ 11,511	\$ 12,456
Mid-level Administration	54,226	56,675	54,922	59,180	56,562
Instruction	297,340	302,090	306,791	316,258	323,027
Special education	96,986	98,017	96,411	99,859	102,045
Student Personnel Services	2,462	2,751	2,738	2,860	2,886
Student Health Services	5,794	5,895	5,957	6,114	6,609
Pupil Transportation	32,742	34,052	35,573	36,325	36,456
Operation of Plant	43,411	37,721	37,850	39,439	38,947
Maintenance of Plant	22,030	22,235	21,643	23,574	19,652
Fixed Charges	165,229	193,731	181,842	178,693	210,654
Community Services	5,901	6,064	6,055	6,190	6,035
Food Service	11,689	12,167	12,009	12,202	12,923
Capital Outlay	60,809	64,035	71,076	97,446	86,168
Total Expenditures	\$ 809,253	\$ 846,096	\$ 843,543	\$ 889,651	\$ 914,420

Revenues

As Reported in the Fund Financial Statements

How is the Howard County Public School System Funded?

The school system is a component unit of Howard County, Maryland, and is fiscally dependent upon the Howard County Government and the state of Maryland to appropriate funding for the school system.

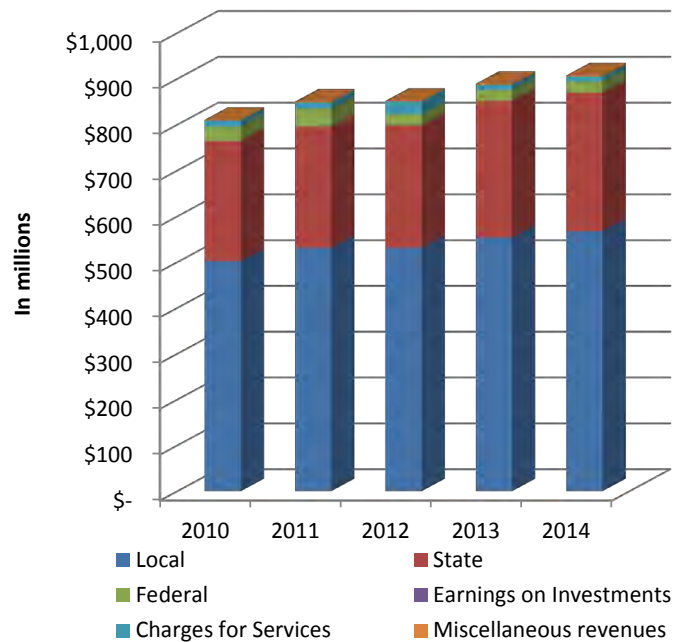
Essentially all of the school system's funding for governmental activities is derived from these sources. The school system has no authority to levy taxes or issue bonded debt. Accordingly, the financial condition of the school system is directly related to the financial condition of the funding authorities - the county and state.

Total revenues for the fiscal year ended June 30, 2014 totaled \$907.4 million. The school system receives approximately 63% of its funding from the county, and 33% from the State. Additionally, the school system receives federal entitlement grants and competitive grants from the state and federal governments.

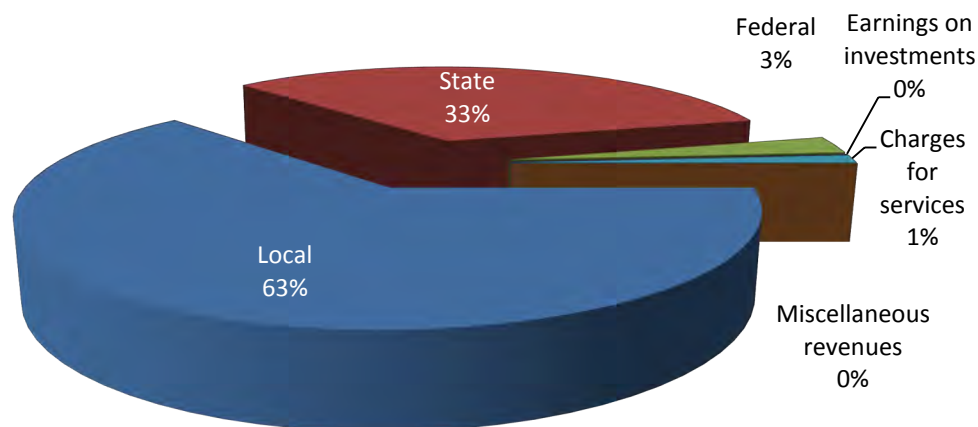
The HCPSS generates revenues from activities and services provided by the HCPSS. The largest of these revenues is charges for services. Charges for services include fees charged for food sales, primarily student breakfasts, lunches, and snacks; facility use fees; summer school tuition; and other miscellaneous fees.

Revenues increased 2.0% in FY 2014. County revenue increased by 2.5% or \$14.1 million over the previous year. The operating revenues from the county increased by 4.2% or \$20.3 million, and the county revenues for the Capital Projects Fund decreased by 9.1% or \$6.1 million.

Revenues By Sources



2014 Revenues - Governmental Funds



Expenditures

As Reported in the Fund Financial Statements

How is the Howard County Public School System Allocating its Funds?

These graphs display FY 2014 expenditures across specific program areas. Detailed Fund Financial Statements are available in HCPSS' Comprehensive Annual Financial Report (CAFR).

Administration – includes the Board of Education, Superintendent's Office, and central support services to operate the school system. Services provided by this category include: financial assessment, legal, planning, personnel, payroll, and other support services.

Instruction – includes wages for most classroom personnel and the materials and other direct costs required to support instructional programs. Instruction consists of three related subcategories: Instructional Salaries and Wages, Instructional Textbooks/Supplies, and Other Instructional Costs.

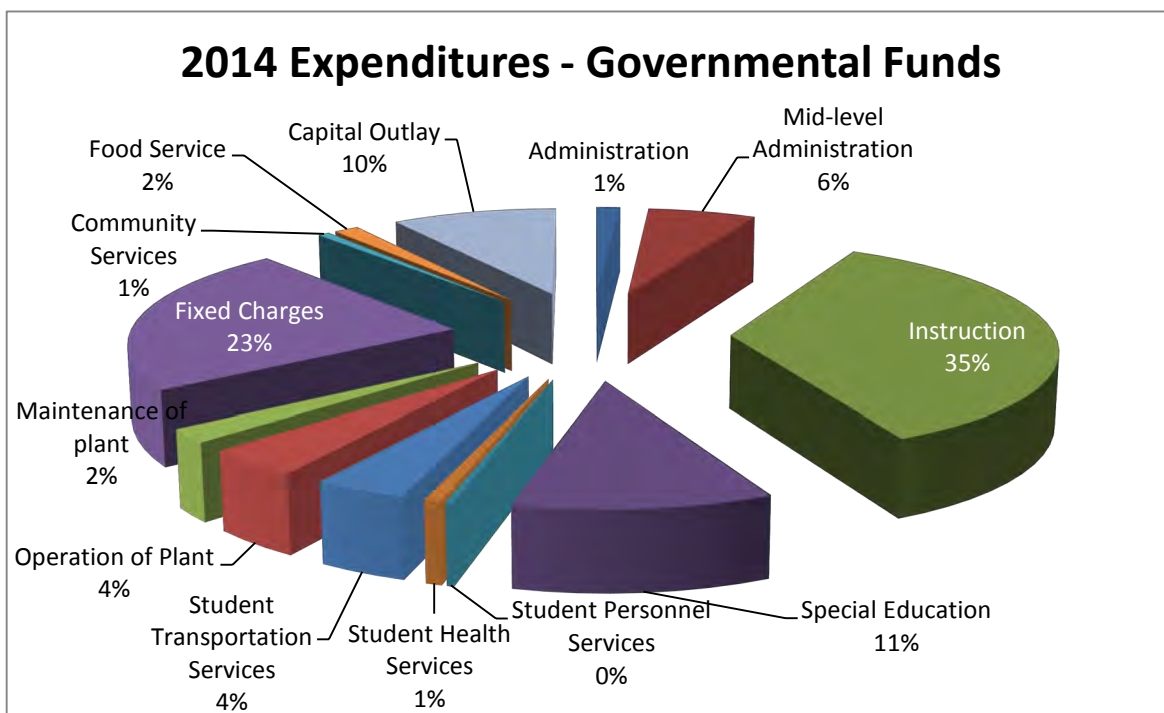
Special Education – provides services for students — from birth through age 21 — who have disabilities. Special Education serves students with intellectual or physical limitations, emotional problems, learning disabilities, language delays, autism, traumatic brain injuries, and developmental delays.

Mid-Level Administration – contains instructional support services. The category includes central office instructional personnel, professional development, school-based office staff, school administration, media processing, cable TV/ video production, and temporary employee services.

Student Personnel Services – includes programs to improve student attendance and to solve pupil problems involving the home, school, and community. Pupil Personnel tracks attendance, identifies problems and works to provide solutions.

Student Health Services – includes programs to prevent health problems in county schools. Health Services staffs school health rooms, maintains student health records, identifies health problems, enforces immunization laws, and provides other services.

Student Transportation Services – provides contracted bus transportation for eligible students. The Transportation office plans schedules, monitors contractors, and operates safety programs. This category includes regular bus transportation, special education transportation,



Expenditures (continued)

As Reported in the Fund Financial Statements

Operation of Plant – provides custodial, utilities, trash collection and other costs to operate school facilities. Operation of Plant includes the school system’s warehouse, courier mail services, and risk management functions.

Maintenance of Plant – includes programs to maintain and report school facilities. This category provides building maintenance, computer/electronics repairs, and environmental maintenance (water systems, indoor air quality, etc.). Grounds keeping services are included here and in the Community Services category.

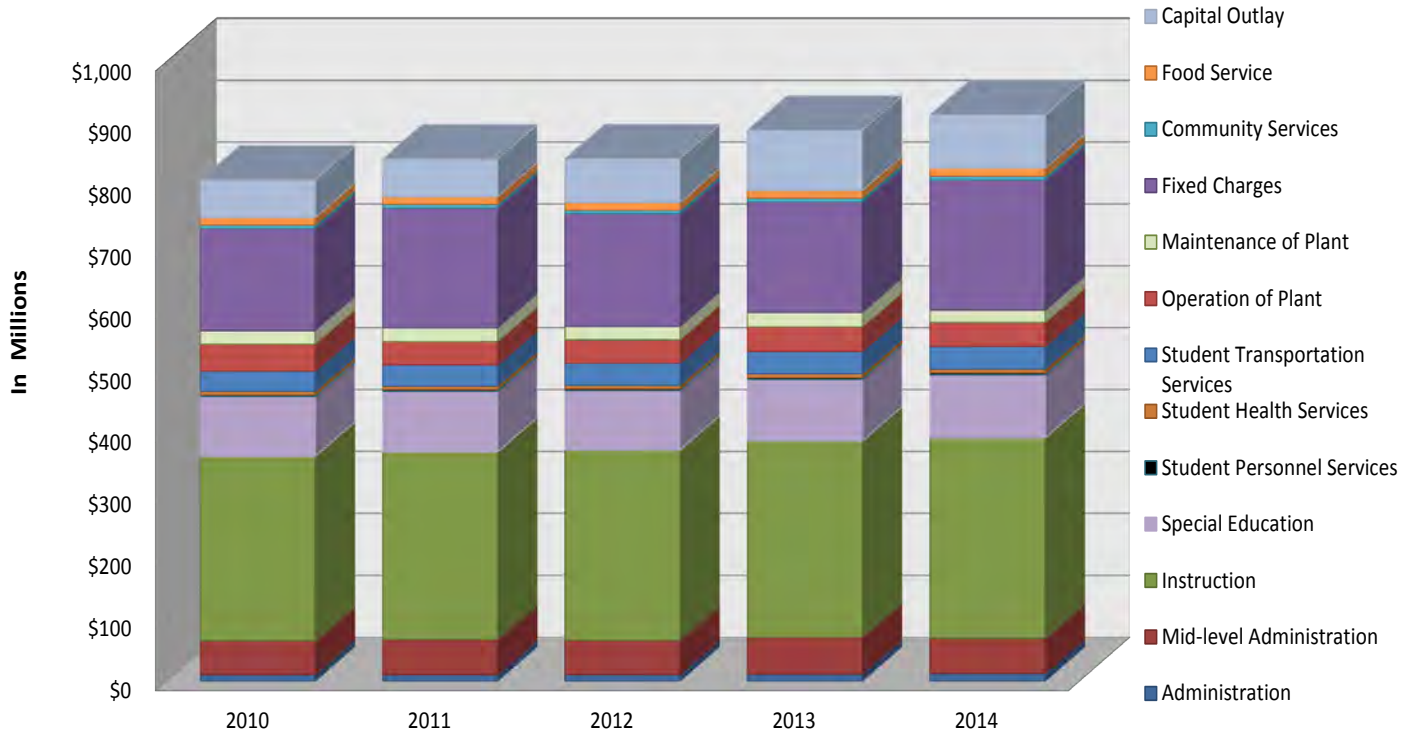
Fixed Charges – includes funds for employee benefits and provides insurance coverage for the school system. This category contains social security, retirement, and the General Fund’s share of employee insurance costs.

Community Services – allows community groups to use school buildings and grounds. User fees offset some of these costs. Community Services provides custodial and maintenance services for community school user, nonpublic transportation, teen parenting transportation, and other services.

Capital Outlay – includes the operating budget costs associated with planning, constructing, and renovating school facilities, as well as the costs of school construction, renovation, and site acquisition.

Food Service – includes all costs of providing schools breakfast, lunches, and snacks.

Expenditures by Category



Total expenditures increased 2.8% or \$24.8 million from FY 2013 to FY 2014, primarily due to an increase in salaries based on negotiations, an increase in Health and Dental Fund contributions, and an increase in the Board's required contribution to the teachers' pension system.

School Construction



The Howard County Public School System prepares an annual Capital Budget, a five-year Capital Improvement Program (CIP), a ten-year Long-Range Master Plan, and a six-year Systemic Renovation Plan designed to address projected student capacity needs by providing capital projects where and when they are needed as well as programmatic renovation in facilities with greatest need.

During FY 2014, capital assets increased by a net of \$51.1 million from the prior year. These funds were used for the following planned projects.

- Completed Thomas Viaduct Middle
- Continued construction for the addition/renovations to Atholton High
- Continued construction for addition at Running Brook Elementary
- Began construction for renovations at Longfellow Elementary
- Began planning for renovations at Laurel Woods Elementary
- Began construction for renovation/addition at Deep Run Elementary
- Began construction for addition at Gorman Crossing Elementary
- Began planning for Wilde Lake Middle replacement
- Other major projects include technology projects and roofing projects

The HCPSS FY 2015 Capital Budget proposes spending \$13.8 million for systemic renovations, \$7.1 million for the Laurel Woods Elementary addition, \$13.8 million for the Deep Run Elementary renovation/addition, \$8.2 million for the Wilde Lake Middle replacement, and \$9.5 million to complete the Atholton High renovation.

The HCPSS proposed capital spending totaling \$657.9 million over the FY 2016–2020 period which has been submitted to the Howard County Council for its approval. This will fully fund all of the capital projects requested by the HCPSS. Cost estimates will need to be monitored closely to ensure the request is sufficient with regards to changes in the economy and materials pricing.



Questions concerning any of the information provided in this report can be addressed by phone at 410-313-1530. Written inquiries and requests for copies of the Comprehensive Annual Financial Report (CAFR) should be addressed to:

Department of Finance
10910 Clarksville Pike
Ellicott City, Maryland 21042-6198

Both the Popular Annual Financial Report (PAFR) and the CAFR can be found on the HCPSS website at <http://www.hcpss.org/about-us/annual-reports/>.